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5 BEFORE THE INSURANCE COMMISSIONER
6 OF THE STATE OF WASHINGTON
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8 In the Matter of the Application
9 Regarding the Conversion and
10 Acquisition of Control of Premera
Blue Cross and its Affiliates.

Docket No. G02-45

MOTION FOR LEAVE TO INTERVENE

11 University of Alaska,
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13 Applicant for Intervention.
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16 The University of Alaska moves to intervene as an interested party in the above
17 matter, which will determine whether Premera Blue Cross may convert from a non-profit
18 to a for-profit corporation. The University has significant interests that will be affected
19 by the Insurance Commissioner's decision in this matter.

20 The University of Alaska is one of the largest employers in the State of Alaska.
21 The health care claims of its 4000 employees and their dependents have been
22 administered by Premera Blue Cross since 1995. When the University put its health care
23 benefit contract out to bid in 1999, Premera was the only bidder. The University may be
24 Premera's largest Alaska account. Employees contribute to the cost of their health care
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26 UNIVERSITY OF ALASKA MOTION
FOR LEAVE TO INTERVENE

University of Alaska
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benefit, in an amount largely dictated by the claim payments in excess of the University's defined contribution. The University and its employees are concerned about the effect that the conversion will have on availability and rates for its health care benefit, as well as the rates for other state residents.

Premiera Blue Cross is Alaska's dominant insurer. It is virtually the only Alaska carrier to write for the small group market, and the majority of its business is in this market. In 2001, Premiera controlled more than 95 percent of the state's individual comprehensive medical coverage in the private market.

The University is also concerned about the rationale for allocating the conversion proceeds between the states of Washington and Alaska and the structure of the new foundations. Premiera proposes that the funds generated by the new charitable foundations be used solely to promote the health of the residents of the States of Washington and Alaska. The University of Alaska is a statewide institution of higher education, with campuses in several communities of the state. The state has severe shortages in several key health professions and the University plays a dominant role in training and education to address these needs. Thus, the University has an interest in seeing that the conversion proceeds are distributed towards improving the availability of quality, affordable health care and related services and in addressing the unmet personal and public health care needs of Alaskans.

The University's Statewide Health Programs office works with University campuses and Alaska's health community to provide coordination and capacity building in response to the state's most significant health needs. Its academic goals include responding to health needs throughout the state, training Alaskans for health related occupations, and increasing its capacity to answer health related questions of particular

1 importance to Alaska. The University offers health sciences degrees, including a
2 Master's of Public Health. The University of Alaska Anchorage School of Nursing offers
3 the only regularly scheduled coursework leading to eligibility for licensure as a
4 Registered Nurse and for advanced nursing practice in Alaska. Although Alaska does not
5 have its own medical school, the University of Alaska is affiliated with the University of
6 Washington School of Medicine WWAMI program, a cooperative agreement between
7 the University of Washington and the states of Washington, Wyoming, Alaska, Montana
8 and Idaho, which allows qualified Alaska residents admission to the University of
9 Washington.

10 As a statewide institution of higher education with a direct interest in the funding
11 and support of health care initiatives, as well as the cost and availability of health care
12 benefit programs for its employees, the University has substantial interests in the
13 outcome of the proposed conversion. The University seeks intervention to resolve
14 several concerns with respect to the proposed conversion, including but not limited to:

- 15 1. the effects of a conversion on its covered employees and the Alaska
16 insurance market;
- 17 2. the impact of the proposed conversion on Alaska's personal and public
18 health system;
- 19 3. an equitable allocation of proceeds between Alaska and Washington if
20 the conversion is approved;
- 21 4. the structure of the new foundations and their purposes;
- 22 5. any conditions or other requirements that OIC should impose to insure
23 that the full value of Premera's assets are transferred to Alaska and
24 Washington foundations and equitably allocated between them.

1 The University requests that the Insurance Commissioner permit it to intervene in this
2 matter, to be heard on all issues and to be accorded all the rights of an interested party
3 pursuant to law.

4 Dated this 26th day of November, 2002.

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6 University of Alaska

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8 By: _____
9 Karen Perdue
10 Associate Vice President
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1 PROOF OF SERVICE

2 I certify that I served a copy of this document on all parties or their counsel of
3 record on the date below as follows:

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8 I certify under penalty of perjury under the laws of the State of Alaska that the
9 foregoing is true and correct.

10 DATED this _____ day of November, 2002.

11 _____
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Coordinator

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